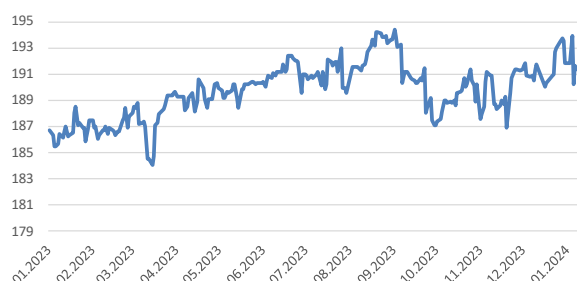


BG Indexes 12-month performance

SOFIX



BGREIT



Index	Close	Weekly Chg.%	YTD
SOFIX	777.54	0.69	2.33
BGBX 40	159.91	0.63	1.93
BGREIT	191.83	-0.23	0.57

Index	P/E	EV/S	P/BV
SOFIX	10.08	0.11	1.76
BGBX 40	12.91	0.30	1.72
BGREIT	10.31	n/a	2.54

BSE Weekly Gainers & Losers

Top Gainers		Price	Chng %
PET	Petrol AD	1.51	139.68
BBRD	Billboard AD	0.39	32.21
SNRG	Synergon Holdingn AD	1.36	21.43
NEOH	Neochim AD	28.30	16.94
T57	Trace Group Hold AD	4.50	12.50

Top Losers		Price	Chng %
LOMP	Lomsko Pivo AD	0.14	-17.65
ELHM	Elhim Iskra AD	0.96	-12.73
SFB	Sopharma Buildings REIT	16.00	-10.11
EUBG	Eurohold Bulgaria AD	1.31	-9.03
ALCM	Alcomet AD	6.60	-8.33

Market Overview (08 Jan – 12 Jan)

The main Bulgarian index **SOFIX** increased this week by 0.69% to 782.93 points. The broad index **BGBX40** increased this week by 0.63% to 160.91 points and **BGREIT** decreased this week to 191.38 points, down by 0.23%.

Corporate News

Smart Organic (SO) intends to put into production its new facility in Bozhurishte in April 2024, according to the CEO – Yani Dragov. The total investment in the factory is around BGN 16m and it will expand the production capacity of the company up to around BGN 300m, which leaves a lot of room for growth given 2023 revenue of around BGN 80m (approximately +40% YoY). Yani Dragov said that the company intends to grow its revenues by 25% in 2024 and 30% in each of the next two years. Smart Organic also intends to build another production facility next to the almost completed one in Bozhurishte in the next two years. In order to finance this investment, the company will seek up to BGN 20m in an IPO, but this time on the BSE's main market, as some investors like pension funds can't participate on the BEAM market. According to Yani Dragov, the prospectus is already in the works and the capital raising procedure is targeted for March-April of this year.

Eurohold Bulgaria (EUBG) - the Supreme Cassation Court of Romania has denied the appeal of Euroins Romania, regarding its license revocation. The court dismissed the request of the company to stop the decision of the local insurance regulatory body (ASF), which revoked the license of Euroins Romania in March 2023, because of supposed insolvency. Euroins Insurance Group and its parent company Eurohold Bulgaria continue to prepare for international arbitration proceedings against the Romanian government for EUR 500m.

Sopharma (SFA) announced that the BoD adopted a decision to start a procedure for the merger of its subsidiary Veta pharma. SFA controls 99.98% stake in the subsidiary. Veta pharma reported sales of BGN 3.5m (-3.4% YoY) and net profit of BGN 0.2m (-27.4% YoY) in 2022. Recall that the main stakes in Veta pharma were acquired in 2016 and 2017 for a total of BGN 9.7m, while in 2020 the investment was partly impaired by BGN 2.9m.

Advance Terrafund REIT (ATER) purchased 3 385 daa new land in Dec'23 at an average price of BGN 1 317/daa (-36.1% MoM). Although the fund didn't sell directly any land during the month, it received full prepayment for 157 daa under a financial lease from 2020. The land portfolio increased to 179 090 daa (+1.8% MoM). The expected revenue for 2023-2024 agricultural year is BGN 9 494.9k (+17.6% YoY) with 20.8% of it already collected. Currently, the fund has rented out 146 248 daa, or 84.5% of its rentable portfolio at an average price of BGN 64.92/daa (+15.8% YoY). Overall, H2'23 was weak in terms of direct sales with only one small plot of 1 daa being sold in Oct'23. The likely reason is the worsening economic environment for Bulgarian farmers as the 2023 crop was weaker in terms of yield, grain prices have fallen, while input costs were high as they reflected the 2022 inflation.

Economic News

✓ Bulgaria's Dec'23 harmonised consumer price index /HICP/ added 0.3% MoM (+5.0% YoY). The inflation since the beginning of the year came to 5.0%, while the average annual HICP for the last 12 months stood at 8.6%. The biggest monthly increase was recorded in prices of restaurants and hotels (+1.7% MoM; +9.7% YoY), while prices in the category with the most weight – food and non-alcoholic beverages added 0.7% MoM (+5.9% YoY).

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